

# HOUSE . . . . . No. 2670

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By Mr. Scaccia of Boston, petition of William Francis Galvin and Angelo M. Scaccia for legislation to further regulate health maintenance organizations doing business in the Commonwealth. Financial Services.

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## The Commonwealth of Massachusetts

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In the Year Two Thousand and Five.

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AN ACT TO PROTECT THE HEALTH OF THE CITIZENS OF THE COMMONWEALTH.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     SECTION 1. Chapter 111 of the General Laws, as appearing in  
2     the 2002 Official Edition, is hereby amended by inserting at the  
3     end the following new sections:—

4     Section 216. Any entity, corporation, carrier or partnership  
5     which operates a health maintenance organization as defined in  
6     section one of Chapter 176G shall annually not later than the first  
7     day of October file with the commissioner of public health a plan  
8     of service for the coming calendar year. Said plan of service shall  
9     include in exact detail every benefit, service, hospital, clinic, cov-  
10    ered procedure, emergency care policy, all physicians, partici-  
11    pants, all nursing services participants, all pharmaceutical  
12    coverage providers with all exceptions and exclusions, or  
13    deductibles of any kind, for every category of member or person  
14    covered by the health maintenance organization.

15    Section 217. The commissioner shall annually conduct a  
16    hearing on the service plan within forty-five days of filing to  
17    determine its effect on the public health, and unless specifically  
18    preempted by federal law as it relates to participating members  
19    said service plan shall not take effect until approved by the com-  
20    missioner.

21    Section 218. Except as otherwise specifically preempted by  
22    federal law, whenever a health maintenance organization as

23 defined above seeks to amend its plan of service during the course  
24 of the calendar year it shall first submit a detailed plan of amend-  
25 ment to the commissioner which shall include the number of  
26 members to be effected by the amendment as well as a statement  
27 of reasons in support of the amendment.

28 The commissioner or designee shall then schedule a public  
29 hearing on these proposed amendments. The commissioner is  
30 authorized to promulgate regulations to assure public notices of  
31 such pending amendments. Except as otherwise specifically pre-  
32 empted by federal law no such change as proposed in the amend-  
33 ment shall occur until the commissioner shall determine that such  
34 an amendment is not detrimental to the health of the effected  
35 members and comparable care is otherwise available. In those  
36 instances where the commonwealth is specifically prevented from  
37 enforcing statutes of benefits, the commissioner shall conduct a  
38 public hearing to determine the effect of the proposed amendment  
39 on the public health and shall file a written copy of his finding  
40 with the state secretary who shall publish the same.

1 SECTION 2. Chapter 112 of the General Laws, as appearing in  
2 the 2002 Official Edition, is hereby amended by inserting after  
3 section 42A the following new sections:—

4 Section 42B. No pharmacist or store licensed under this chapter  
5 who is engaged in the “drug business” as defined in section 37  
6 shall sell to a retail consumer either directly or indirectly any  
7 medication which requires a prescription from a professional  
8 licensed under this chapter without disclosing in writing the  
9 wholesale price of the drug being delivered as well as the exact  
10 co-pay or contribution being made on the consumer’s behalf by  
11 any insurer or HMO or their agents. Consumer’s may not waive  
12 this right of disclosure.

13 Section 42C. Any entity licensed as a wholesale distributor of  
14 prescription drugs or any entity which is licensed under section 38  
15 of this chapter to sell prescription drugs shall annually submit to  
16 the board of registration in pharmacy a report identifying the total  
17 number of prescriptions it sold or in the case of whatever the total  
18 volume of drugs it sold identifying the drug by trade name as well  
19 as generic name. The board may by rule require the annual disclo-  
20 sure of additional information as to description of products sold

21 and general information about the manner in which prescriptions  
22 are filled. A copy of such report shall be transmitted to the com-  
23 missioner of public health.